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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10 ALEXANDRA B. GEREMIA, as Trustee for the
11 Alexandra Geremia Family Trust dated 8/5/1998,
individually and on behalf of others similarly
12 situated,

13 Plaintiff,

14 vs.

15 PLAINS ALL AMERICAN PIPELINE, L.P., a
Delaware limited partnership, PLAINS
16 PIPELINE, L.P., a Texas limited partnership,

17 Defendants.

Case No.:

COMPLAINT – CLASS ACTION

DEMAND FOR JURY TRIAL

I. INTRODUCTION

Plaintiff Alexandra B. Geremia, as Trustee for the Alexandra Geremia Family Trust dated 8/5/1998 (“Plaintiff”), individually and on behalf of all others similarly situated, alleges the following against Plains All American Pipeline, L.P., and Plains Pipeline, L.P. (“Defendants” or “Plains”), based where applicable on personal knowledge, information and belief, and the investigation and research of counsel.

II. NATURE OF THE ACTION

1. On May 19, 2015, a 24-inch oil pipeline running along the coast near Santa Barbara, California ruptured and thousands of gallons of crude oil began pouring out, ultimately making its way into the Pacific Ocean. The pipeline, known as Line 901, is owned and operated by Defendants, Texas-based companies, for whom ruptured pipelines are nothing new. In 2014 a Plains pipeline ruptured in Los Angeles’ Atwater Village, sending more than 18,000 gallons of crude running through the city’s streets. Toxic fumes were reported in the industrial area for days after the spill. Since 2006, federal agencies have cited them for at least 175 safety and maintenance violations. Plains Pipeline has reported 179 such incidents since 2006. Among more than 1,700 operators included in a database maintained by the Pipeline and Hazardous Materials Safety Administration, only four reported more incidents than Plains. Plains has been cited for oil spills across the country fined millions of dollars.

2. The failure of Line 901 is alarming because the pipeline runs near the edge of the Pacific Ocean, and the rupture caused tens of thousands of gallons of toxic crude oil to flow unabated over some of the most beautiful beaches and pristine waters along California’s Gaviota Coast.

3. Oil invaded nearly beachfront properties, covering them with toxic crude, coating the shoreline, and clinging to rocks, sand, and the animals it touched. By the time Defendants managed to shut off Line 901, it had discharged over 100,000 gallons of crude oil. Noxious odor of crude oil has permeated the air, drenched wildlife with oil, and left miles of previously pristine shoreline covered in thick black tar. Several public beaches have closed since the spill, and more than 100 birds and dozens of mammals, including sea lions and dolphins, have died from contact with the oil.

1 Oil floated out to sea, creating a slick that stretched for miles, contaminating several State Marine
2 Conservation Areas along the way, forcing beaches to close and requiring clean up across nearly 100
3 miles of shoreline along California's Central Coast.

4 4. The beachfront properties along the Central Coast of California, like coastal properties
5 throughout the state, are highly valuable. The property owners enjoy the unspoiled sand and water,
6 direct access to fishing, surfing, kayaking and other activities. The waters and beaches are home to
7 hundreds of sensitive animal species, and serve as the backbone of the local economy. All that has
8 been damaged by Defendants' oil spill, and that damage will likely last for decades.

9 5. This tragedy could have been averted had Defendants installed an automatic shut-off
10 valve on the pipeline. Such mechanisms are common on pipelines across the country. Line 901
11 appears to be the only pipeline of its kind in Santa Barbara County without this key safety feature.

12 6. The decision to operate without an automatic shut-off system is no accident. When
13 Defendants, through their predecessor in interest, built the pipeline in 1987, Santa Barbara County
14 demanded that a shut-off system be installed and that the County be allowed to inspect the welds on
15 the pipeline. Shirking their responsibility, Defendants sued, arguing that the County lacked the
16 authority to force them to install an automatic shut-off system or inspect its pipeline, basic safety
17 systems and protocols that almost all the other pipeline owners in the area had installed. As a result,
18 Line 901 has no automatic shut-off system, and when the pipeline failed, more than 100,000 gallons
19 of crude oil poured out and polluted the precious waters and beaches along the coast.

20 7. Recent investigation of inspection results from the last five years revealed systemic
21 and extensive corrosion throughout the length of Defendants' pipeline. An in-line inspection just
22 weeks before the spill showed disturbing levels of corrosion on both Line 901 — the pipeline that
23 ruptured — as well as Line 903, an adjoining pipeline also operated by Plains on the Central Coast.
24 Third-party metallurgists on site estimated the metal loss at the rupture site left only 1/16 of an inch
25 of pipe between pressurized crude oil and the environmentally sensitive coastline which the pipeline
26 runs. Federal inspectors from the Pipeline and Hazardous Materials Safety Administration (PHMSA)
27 also found three corrosion repairs near the rupture site made after a 2012 in-line inspection, and the
28

1 May 5, 2015, inspection found three other areas of “extensive corrosion” on Line 901 requiring
2 “immediate investigation and remediation.”

3 8. Plaintiff Alexandra B. Geremia, as Trustee for the Alexandra Geremia Family Trust
4 dated 8/5/1998 brings this action pursuant to Federal Rule of Civil Procedure 23 on her own behalf
5 and as a representative of others similarly situated to recover significant injuries and economic losses
6 they have incurred and will continue to incur because of Defendants’ oil spill.

7 **III. PARTIES**

8 9. Plaintiff Alexandra B. Geremia, as Trustee for the Alexandra Geremia Family Trust
9 dated 8/5/1998, is a resident of Santa Barbara County, California, citizen of California, and an owner
10 of oceanfront real property north of Refugio State Beach. The crude oil that Defendants spilled into
11 the Pacific Ocean encroached directly onto Ms. Geremia’s property, as it did onto other properties
12 up and down the California coast.

13 10. Defendant Plains All American Pipeline, L.P. is a Delaware limited partnership with
14 its principal place of business in Houston, Texas. On information and belief, Defendant operates
15 through or on behalf of PAA GP LLC, a Delaware limited liability company, Plains AAP, L.P.
16 (“AAP”), a Delaware limited partnership that is the sole member of PAA GP LLC, Plains All
17 American GP LLC (“GP LLC”), a Delaware limited liability company, Plains GP Holdings, L.P.
18 (“PAGP”), a Delaware limited partnership that is the sole member of GP LLC, and PAA GP
19 Holdings LLC, the general partner of PAGP.

20 11. Defendant Plains Pipeline, L.P. is a Texas limited partnership with its principal place
21 of business in Houston, Texas. Plains Pipeline, L.P. is a subsidiary of Plains All American Pipeline,
22 L.P.

23 12. Defendants own and operate the All American pipeline system, a common carrier
24 crude oil pipeline system that transports crude oil produced from two outer continental shelf fields
25 off the California coast via connecting pipelines to refinery markets in California. The system
26 receives crude oil from ExxonMobil’s Santa Ynez field at Las Flores and receives crude oil from the
27 Freeport-McMoRan-operated Point Arguello field at Gaviota.
28

IV. JURISDICTION AND VENUE

13. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because the amount in controversy exceeds \$5,000,000, exclusive of interest and costs, and members of the proposed class are citizens of different states than Defendants.

14. This Court has personal jurisdiction over Defendants because they are registered to conduct business in California, and have sufficient minimum contacts with California.

15. Jurisdiction is also appropriate under 28 U.S.C. § 1331 because the claims asserted by Plaintiff arise under the laws of the United States of America.

16. Venue is proper in this district under 28 U.S.C. § 1391(b) because a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in this district.

V. FACTS

A. California's Central Coast

17. The Central Coast of California, which includes the Gaviota Coast north of Santa Barbara, is a special place where beachfront properties enjoy direct access to blue waters and magnificent coastline, and residents walk the beaches, fish from the shores, swim, surf, kayak and use and enjoy their properties.

18. Because of the natural beauty and the bounty offered by the ocean, beachfront properties along the coast are highly sought after, and their value is reflected in the direct access of the homes to the sandy beaches, fishing, water sports, and clean, fresh air.

19. Sadly, Defendants' oil spill has now contaminated the coast, undermined the health of the environment, and negatively impacted the value of properties along the shore.

20. In 1969, a blowout at Union Oil's Platform A offshore drill rig sent millions of gallons of oil into the waters and onto the beaches of Santa Barbara County. The blowout killed thousands of birds, dolphins, fish, and other marine life, but it effectively led to the birth of the environmental movement, and caused governments and some companies to take significant steps to make the production and transportation of crude safer and more reliable. Defendants, on the other hand, are notable for their track record of doing otherwise, astonishing for an enterprise with a collective market value of \$18.8 billion and roughly 18,000 miles of pipeline in North America.

B. The Failure of Defendants' Line 901

21. Line 901 is a 10-mile long, 24-inch wide pipeline owned and operated by Defendants, which runs near the edge of the Pacific Ocean and transports up to 6,300,000 gallons of oil a day. The pipeline routes past several state parks and beaches, including Refugio State Beach, carrying crude from offshore platforms inland and to refineries.

22. When Line 901 ruptured on the morning of May 19, 2015, it spilled toxic crude oil onto the beach and into the Pacific Ocean near Refugio State Beach.

23. The smell of oil pouring out of the ruptured pipe overwhelmed neighbors and beachgoers. At approximately 11:30 a.m. the Santa Barbara County Fire Department responded to reports of the odors, and arrived to find oil flowing from the pipeline, through a storm drain under Highway 101, onto and across the beach, and into the Pacific Ocean. The oil then began to spread along the shoreline, and washed up on nearby properties. Oil continued to leak from the pipeline throughout the afternoon.

24. After the oil covered the beach and rocks just below the failed pipe, it reached the water and spread quickly, travelling for miles out to sea. It polluted and fouled beaches for miles around. As of June 8, 2015, the spill had impacted up to 50 miles of shoreline along the Central Coast. By June 22, 2015, Defendants confirmed that their oil has washed up in identifiable tarballs on Manhattan Beach, 130 miles south of Santa Barbara. It is presently unknown how far north the oil spill has traveled.

25. The precise timeline of events is still not clear, but it appears that Defendants failed promptly act to respond to signs of the pipeline failure or to notify relevant government agencies. According to a letter from California's two United States senators, there was serious concern that "Plains Pipeline may not have detected this spill or reported it to federal officials as quickly as possible, and that these delays could have exacerbated the extent of the damage to the environment." The senators called Defendants' response "insufficient."

26. According to many witnesses who visited Refugio State Beach the night of the spill as well as nearby homeowners, there was little or no initial response. Even the next day, as professional clean-up crews began to respond to Refugio State Beach, the response at other nearby

1 beaches was left to volunteers with little or no training or protective equipment, using nothing but
2 shovels and five-gallon buckets to try to remove thousands of gallons of crude from the sand and
3 sea.

4 27. Despite the efforts of those volunteers and professional responders, the scope of the
5 spill continues to expand. It has already stretched far south of Santa Barbara, invaded the shoreline
6 and beachfront properties, and impacted numerous Marine Protected Areas that provide vital
7 breeding and feeding grounds for marine species.

8 28. Tar balls are washing up on beaches far to the south and east of and the spill site, and
9 oil sheen has stretched for miles. Frisbee-sized “oil pancakes” are drifting toward Channel Islands
10 National Park. Many fish, birds, and marine mammals have died after being covered in oil or
11 exposed to its toxic compounds. Those are the visible harms, relatively easy to see and tally. Unseen
12 as the oil sinks and swirls in the tides and currents is the affect on sea grass, kelp beds, reefs, and the
13 aquatic food chain. There are new reports of dead marine life appearing on area beaches nearly
14 every day.

15 29. Along the coast, the environmental impacts of the spill translate to profound
16 economic impacts, and greatly diminish the value of properties along the shore. The oil from
17 Defendants’ failed pipeline has polluted properties and beaches with toxic oil, and immediately
18 impacted the ability of property owners to use and enjoy their homes.

19 30. The spill has prevented homeowners from enjoying their beachfront properties, and
20 discouraged tourists from visiting businesses and renting vacation homes in Santa Barbara County,
21 where tourism (along with agriculture and wine) accounts for roughly 15 percent of the workforce,
22 or over 36,000 jobs. Two popular state beaches— Refugio and El Capitan— were closed during one
23 of the busiest holiday weekends of the year. Refugio is expected to remain closed until at least July
24 9, 2015.

25 31. The oil spill also presents a serious risk to human life. The Santa Barbara County
26 Health Department has recommended that residents avoid all areas affected by the spill, but a major
27 highway runs through and adjacent to the spill area. Refugio Beach, just south of Plaintiff’s property,
28 is considered a “Hazmat area,” the County said. The County warned that direct contact with oil,

1 inhalation of fumes, or ingestion of contaminated fish or shellfish can cause skin irritation, nausea,
2 vomiting, and other illnesses.

3 32. Long term, the impacts maybe as-yet-unknown, but they are no less certain. Even
4 with the best spill response, toxic oil will remain in the environment for a long time, continuing to
5 contaminate properties along the shore, and harm water, wildlife, and beaches. Five years after the
6 Deepwater Horizon oil spill in the Gulf of Mexico, officials assessing the damage to that ecosystem
7 said “the environmental effects of this spill is likely to last for generations.” This spill will likewise
8 cause long-lasting environmental and economic impacts.

9 **C. Defendants’ Long and Reckless Practice of Avoiding Installing Safety Equipment.**

10 33. Defendants wantonly disregarded the health and safety of the people and environment
11 by operating a pipeline it knew did not have proper safety systems in place. While this spill is a
12 disaster, it is not an accident.

13 34. In 1987, when Defendants constructed Line 901, Santa Barbara County’s Energy
14 Division sought to ensure the pipeline was constructed properly by, among other things, inspecting
15 the welds on the pipeline using x-rays. The Division routinely inspected welds on new pipelines, as a
16 way to ensure they had been done correctly to reduce the risk of failure. The Division also ordered
17 Defendants to install an automatic shut-off valve system on the pipeline to ensure the pipeline would
18 shut down swiftly, and without having to wait for human action, at the first sign of a problem in the
19 pipeline.

20 35. But rather than agreeing to these commonplace and common-sense safety protocols,
21 Defendants fought the County in federal court to avoid regulation over their pipeline design and
22 installation.

23 36. As a result, today Line 901 appears to be the only pipeline in Santa Barbara County
24 that is preempted from monitoring and safety inspections. Defendants and their employees rarely, if
25 ever, attend monthly meetings conducted by Santa Barbara County to discuss safety concerns with
26 all the pipeline operators in the County.

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1 37. While Santa Barbara, its citizens, real property owners, and environment bore the risk
2 of Defendants' conduct, Defendants reaped the rewards with an estimated market value of nearly
3 \$19 billion, and profits of approximately \$389 million on over \$2 billion in earnings. By avoiding
4 the cost of safety equipment and systems, Defendants boosted their profits and transferred the cost of
5 failure to people who live, work, and own property in Santa Barbara County and along the Pacific
6 Coast.

7 38. Defendants' number of crude oil incidents as an operator is increasing faster than the
8 national average. Last year, for example, a poorly maintained pipeline owned and operated by
9 Defendants ruptured in a Los Angeles neighborhood, covering the streets, cars, houses, and
10 businesses in oil. A few years ago, another poorly maintained Plains pipeline ruptured and sent oil
11 into a drinking water reservoir for Los Angeles. The lax safety standards at Line 901 are not isolated
12 incidents for Defendants. Since 2006 Plains has been cited for more than 175 violations of safety
13 requirements, which have caused nearly \$24 million in property damage. Eleven of those incidents
14 were in California. Plains is one of the top four most cited pipeline operators in the country.

15 39. In 2010, pursuant to a Consent Decree filed by the U.S. EPA following numerous
16 alleged violations of the Clean Water Act by Defendants in several states, Defendants represented
17 that they would update their procedures such that the "[i]f there is an unexplained increase in
18 delivery flow-rate with corresponding decrease in pressure –[Plains would] SHUTDOWN the
19 affected line segment."

20 40. As part of that settlement, Defendants paid a \$3.25 million penalty for 10 spills
21 between June 2004 and September 2007 which discharged a total of roughly 273,420 gallons of
22 crude oil into navigable waters or adjoining shorelines in Texas, Louisiana, Oklahoma, and Kansas,

23 41. Plains itself recently acknowledged in a disclosure report to the U.S. Securities and
24 Exchange Commission that it has "experienced (*and likely will experience future*) releases of
25 hydrocarbon products into the environment from our pipeline . . . operations" that "may reach
26 surface water bodies." (Emphasis added).

27 42. In short, Plains has an ugly "tradition" of operating pipelines that fail. The
28 communities through which it transports oil suffer the consequences.

1 property. Since the spill, her property has been bombarded with a steady stream of oil tarballs and
 2 oil sheen from the spill, and she has been unable to even walk on the beach. The clean-up efforts
 3 near her home have been unsatisfactory, and long-term contamination of her property is likely. The
 4 consequences of the oil spill have had and will continue to have a devastating effect on value of the
 5 property, and her ability to rent it or sell it has evaporated.

6 49. Ms. Geremia believes the negative consequences of Defendants' oil spill will
 7 continue to depress the value of her property for the remainder of the year and for years to come.
 8 Defendants' acts and omissions have therefore caused present injury to Ms. Geremia, as well as the
 9 concrete risk of imminent, additional injury.

10 **VII. CLASS ACTION ALLEGATIONS**

11 50. Plaintiff brings claims pursuant to Federal Rule of Civil Procedure 23 on behalf of the
 12 class of similarly situated persons. Plaintiff proposes to represent the following class:

13 All owners of oceanfront and/or beachfront real property and long-
 14 term lessees of oceanfront and/or beachfront real property on the
 15 Pacific Coast of California, from Point Concepcion to the southern
 16 border of San Diego County, who claim injury or damage to real
 property as a result of Defendants' May 19, 2015 oil spill from
 Line 901.

17 51. The class members are ascertainable and have a well-defined community of interest
 18 among their members.

19 52. The following persons and counsel are proposed as representatives for the Class:

20 (a) The proposed representative plaintiff for the Class is: Alexandra B. Geremia, as
 21 Trustee for the Alexandra Geremia Family Trust dated 8/5/1998.

22 (b) The proposed counsel for the Class is: A. Barry Cappello, Leila J. Noel and
 23 Lawrence J. Conlan of Cappello & Noel LLP.

24 53. Excluded from the Class are:

25 (a) the officers and directors of any of Defendants;

26 (b) any judge or judicial officer assigned to this matter and his or her immediate
 27 family and staff; and

28 (c) any legal representative, successor, or assign of any excluded persons or entities.

54. Plaintiff's claims are made on behalf of herself and all others similarly situated under Rule 23 of the Federal Rules of Civil Procedure.

A. Numerosity of the Class

55. On information and belief, the Class consists of between approximately 3,000 – 25,000 individuals and/or entities from a defined geographical area which own oceanfront and/or beachfront real property or are long term lessees of oceanfront and/or beachfront real properties and have been legally injured by the disaster, making joinder impracticable. Class members can be informed of the pendency of this action by published, internet, and broadcast notice.

B. Typicality and Commonality of the Class.

56. The claims of the representative Plaintiff are typical of the claims of the Class in that the representative Plaintiff, like all Class members, has suffered adverse effects proximately caused by the disaster.

57. Furthermore, the factual bases of Defendants' misconduct are common to all Class members and represent a common thread of misconduct resulting in injury to all members of the Class.

C. Adequacy of Representation.

58. Plaintiff will fairly and adequately represent and protect the interests of the Class. Plaintiff has retained counsel with substantial experience in prosecuting environmental, mass tort, and complex class actions, including actions involving environmental contamination and, catastrophic oil spills. The undersigned counsel for Plaintiff has experience in complex class action litigation and trials, including environmental contamination, race discrimination under California's Unruh Act, the Santa Barbara oil spill of 1969 which led to the birth of the environmental movement, and expertise on punitive damages issues. Plaintiff and her counsel are committed to prosecuting this action vigorously on behalf of the Class and have the financial resources to do so. Neither Plaintiff nor her counsel has interests adverse to those of the Class.

D. Predominance of Common Questions of Fact and Law

59. There is a well-defined community of interest in that the questions of law and fact common to the Class predominate over questions affecting only individual Class members and

1 include, but are not limited to, the following:

2 a) Whether Defendants acted negligently, intentionally, fraudulently and/or illegally
3 to cause the spill;

4 b) Whether Defendants had installed and maintained adequate safety measures and
5 systems on Line 901 and in its systems of command and control to prevent the spill;

6 c) Whether Defendants conducted adequate supervision that could have prevented the
7 spill;

8 d) Whether Defendants engaged in unconscionable, deceptive, and/or unreasonable
9 business practices and conduct;

10 e) Whether Defendants knowingly, intentionally, or negligently concealed,
11 suppressed, or omitted material facts concerning the safety of its pipeline from the public
12 and/or regulatory agencies;

13 f) Whether Defendants knowingly, intentionally, or negligently concealed,
14 suppressed, omitted, or delayed relaying material facts regarding the spill to local, state, and
15 federal agencies, thereby slowing the response, and/or increasing the damages to Plaintiff and
16 members of the Class;

17 g) Whether the Class suffered injury by virtue of Defendants' negligence,
18 recklessness, carelessness, and/or unconscionable and/or deceptive business practices; and

19 h) Whether Defendants are strictly liable to Plaintiff and the Class, by virtue of State
20 and/or Federal Law.

21 **E. Superiority**

22 60. Absent class treatment, Plaintiff and Class members will continue to suffer harm and
23 damages as a result of Defendants' unlawful and wrongful conduct.

24 61. A class action is superior to all other available methods for the fair and efficient
25 adjudication of this controversy. Without a class action, individual Class members would face
26 burdensome litigation expenses, deterring them from bringing suit or adequately protecting their
27 rights. Because of the ratio of the economic value of the individual Class members' claims in
28 comparison to the high litigation costs in complex cases such as this, few could likely seek their

1 rightful legal recourse. Absent a class action, Class members would continue to incur harm without
2 remedy.

3 62. The consideration of common questions of fact and law will conserve judicial
4 resources and promote a fair and consistent resolution of these claims,

5 63. **Rule 23(b)(3):** In addition to satisfying the prerequisites of Rule 23(a), Plaintiff
6 satisfies the requirements for maintaining a class action under Rule 23(b)(3). Common questions of
7 law and fact predominate over any questions affecting only individual class members and a class
8 action is superior to individual litigation. The amount of damages available to an individual plaintiff
9 is insufficient to make litigation addressing Defendants' conduct economically feasible in the
10 absence of the class action procedure. Individualized litigation also presents a potential for
11 inconsistent or contradictory judgments, and increases the delay and expense to all parties and the
12 court system presented by the legal and factual issues of the case. By contrast, the class action
13 device presents far fewer management difficulties and provides the benefits of a single adjudication,
14 economy of scale, and comprehensive supervision by a single court.

15 64. **Rule 23(b)(2).** Plaintiff also satisfies the requirements for maintaining a class action
16 under Rule 23(b)(2). Defendants have acted or refused to act on grounds that apply generally to the
17 proposed class, making final declaratory or injunctive relief appropriate with respect to the proposed
18 class as a whole.

19 65. **Rule 23(c)(4).** Plaintiff also satisfies the requirements for maintaining a class action
20 under Rule 23(c)(4). The claims of class members are composed of particular issues that are
21 common to all class members and capable of class wide resolution that will significantly advance the
22 litigation.

23 **VIII. CAUSES OF ACTION**

24 **First Claim for Relief**

25 **Strict Liability under Lempert-Keene-Seastrand Oil Spill Prevention and** 26 **Response Act, Government Code Section 8670, *et seq.***

27 66. Plaintiff incorporates by reference each and every prior and subsequent allegation of
28 this Complaint as if fully restated here.

1 67. The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act provides that
 2 “[a] responsible party, as defined in Section 8670.3, shall be absolutely liable without regard to fault
 3 for any damages incurred by any injured party that arise out of, or are caused by, a spill.” Cal. Gov.
 4 Code Section 8670.56.5(a).

5 68. The Pacific Ocean and the waters off California’s Central Coast are “state waters” as
 6 defined in Section 8670.3(ag).

7 69. Defendants are “responsible part[ies],” as defined in Section 8670.3(w) which
 8 includes “the owner or transporter of oil or a person or entity accepting responsibility for the oil.”

9 70. The oil transported through Line 901 is “oil” within the meaning of the Act, which
 10 defines “oil” as “any kind of petroleum, liquid hydrocarbon, or petroleum products or any fraction or
 11 residues there from,” including “crude oil.”

12 71. As the responsible party for the oil transported through Line 901, Defendants are
 13 absolutely liable under the Lempert-Keene-Seastrand Act.

14 72. On May 19, 2015, Defendants discharged or leaked crude oil into the Pacific Ocean
 15 and onto Plaintiff’s property, and is therefore absolutely liable without regard to fault for all
 16 damages that Plaintiff and Class sustained or will sustain. That discharge was not permitted by state
 17 or federal law.

18 73. The Act entitles a plaintiff to recover a wide variety of damages, including, but not
 19 limited to, injury to, or economic losses resulting from destruction of or injury to, real or personal
 20 property, which shall be recoverable by any claimant who has an ownership or leasehold interest in
 21 property; loss of taxes, royalties, rents, or net profit shares caused by the injury, destruction, loss, or
 22 impairment of use of real property, personal property, or natural resources; loss of profits or
 23 impairment of earning capacity due to the injury, destruction, or loss of real property, personal
 24 property, or natural resources, and loss of subsistence use of natural resources; response,
 25 containment, cleanup, removal, and treatment, including monitoring and administration costs. *See*
 26 *generally* Cal. Gov. Code Section 8670.56.5(h).

27 ///

1 74. The contamination illegally caused by the discharge of crude oil from Line 901 into
2 the Pacific Ocean and onto coastal properties and beaches injured, caused to be lost, and/or impaired
3 the value, use and enjoyment of real property owned by Plaintiff and the Class.

4 75. The injury, destruction, loss, and/or impairment of usability to and of real property
5 has caused Plaintiff and the Class to suffer diminution of property value and loss of enjoyment of
6 property in the short and long term, and will cause future losses and/or profits, including but not
7 limited to loss of property value, and loss of profits from the sale and/or rental of such property.

8 76. The long-lasting effects of the contamination of the discharge of toxic crude oil into
9 the Pacific Ocean on marine life and onto the real property that Plaintiff and the Class own or lease,
10 requires that Plaintiff and the Class continue future monitoring and testing activities in order to
11 ensure such marine life, beaches and property are not contaminated and are safe and fit for human
12 use and consumption, and to ensure that the toxic oil from the spill does not further contaminate and
13 degrade their real property.

14 **Second Claim for Relief**

15 **Violation of the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.**

16 77. Plaintiff incorporates by reference each and every prior and subsequent allegation of
17 this Complaint as if fully restated here.

18 78. The Federal Oil Pollution Act provides that “each responsible party for...a facility
19 from which oil is discharged...into or upon the navigable waters or adjoining shorelines...is liable
20 for the removal costs and damages...that result from such incident.” 33 U.S.C. § 2702(a).

21 79. Recoverable damages include “injury to, or economic losses resulting
22 from destruction of, real or personal property” and “the loss of profits or impairment of earning
23 capacity due to the injury, destruction, or loss of real property, personal property, or natural
24 resources.” *Id.* at (b)(2)(B) & (E).

25 80. The Act defines “facility” as including a “pipeline” used for transporting oil. 33
26 U.S.C. § 2701(9).

27 81. In the case of a discharge of oil from a pipeline, the “responsible party” is “any
28 person owning or operating the pipeline.” *Id.* at (32)(E).

1 100. Plaintiff and the Class have suffered harm from the discharge of toxic oil from
2 Defendants' Line 901.

3 101. The injuries sustained by Plaintiff as a result of the oil spill were the direct and
4 proximate result of Defendants' activity.

5 102. The harm to Plaintiff and the Class, was of the kind of harm that would reasonably be
6 anticipated as a result of the risks created by transporting flammable, hazardous, and toxic oil in a
7 pipeline in close proximity to nearby real properties and the Pacific Ocean.

8 103. Defendants' operation of Line 901 and its failure was a substantial factor in causing
9 the harms suffered by Plaintiff and the Class.

10 104. Due to Defendants' strict liability, Plaintiff and Class members are entitled to recover
11 actual damages.

12 105. The acts and omissions of Defendants were done with malice, fraud, and/or
13 oppression as set out in this Complaint.

14 **Fifth Claim for Relief**

15 **Negligence**

16 106. Plaintiff incorporates by reference each and every prior and subsequent allegation of
17 this Complaint as if fully restated here.

18 107. Defendants owed a duty to Plaintiff and the Class to exercise reasonable and ordinary
19 care. That duty arose from, among other things, federal, state, and local laws that require
20 Defendants to operate a pipeline in a manner that does not damage public health and safety.

21 108. Defendants breached that duty to Plaintiff and the Class by, among other things,
22 failing to install reasonable safety equipment to prevent a spill, and failing to promptly respond to
23 and contain the spill.

24 109. Defendants, in the exercise of reasonable care, should have known that Line 901
25 could rupture or otherwise fail, and spill significant amounts of oil. Defendant has acknowledged
26 that spills such as this have occurred on its pipelines in the past and will occur again.

27 110. As a direct and proximate result of Defendants' negligence, Plaintiff and the Class
28 have sustained damages. Those damages take primarily two forms: short-term and long-term.

111. The short-term damages include loss of use of real property for enjoyment and recreation due to the contamination of such property by toxic crude oil spilled from Defendants' pipeline, as well as potential lost rental income and profits from vacationers and tourists visiting Santa Barbara.

112. The long-term damages include future diminution and loss of real property sale and rental value due to the harm caused to the properties themselves and long-term contamination from toxic crude oil.

113. Finally, the taboo associated with an oil spill has and will continue to drive down business and property values.

114. Similarly, the image of the Central Coast as a pristine place and as a perfect place to live and vacation has been tarnished. Local beaches and waters are now fouled and will dissuade prospective home buyers and people from visiting the region and the many businesses and property owners who depend on tourism and other visitors.

Sixth Claim for Relief

Negligence Per Se

115. Plaintiff incorporates by reference each and every prior and subsequent allegation of this Complaint as if fully restated here.

116. At all times herein mentioned, Defendants negligently, wantonly, carelessly and/or recklessly maintained and operated Line 901.

117. Defendants violated several statutes, ordinances, or regulations including but not limited to the Lempert-Keene Act, Government Code Section 8670, *et seq.*, and the Porter-Cologne Act, Water Code Sections 13000, *et seq.*, and Cal. Fish & Game Code Section 5650, *et seq.*

118. As a direct and legal cause of the Defendants' wrongful acts and omissions herein above set forth, Plaintiff and the Class have suffered and will suffer economic harm, injury to property, and losses.

119. Plaintiff's harm resulted from the occurrence of the nature that the laws listed above were designed to prevent, and Plaintiff is a member of the Class of persons for whose protection those laws were adopted.

1 Section 8670, *et seq.*, and the Porter-Cologne Act, Water Code Sections 13000, *et seq.*, and Cal. Fish
2 & Game Code Section 5650, *et seq.*

3 129. Defendants' violations of those statutes directly and proximately caused, and will
4 cause, injury to the Plaintiff and the Class of a type which the statutes are intended to prevent.
5 Plaintiff and the Class are of the class of persons for whose protection these statutes were enacted.

6 130. As a direct and legal cause of Defendants' wrongful acts and/or omissions herein
7 above set forth, Plaintiff and the Class have suffered and will suffer economic harm, injury to
8 property, and losses as herein above set forth.

9 131. To remedy the harm caused by Defendants' nuisance, Plaintiff will seek public
10 injunctive relief, including, but not limited to, an order requiring Defendants to restore the area real
11 properties and beaches impacted by the spill, to repair short and long term damages to coastal
12 properties, to repair reputational damage done to coastal property values, and preventing Defendants
13 from operating Line 901 or other nearby pipelines without adequate safety mechanisms to prevent
14 future failures and spills and without ongoing monitoring to ensure that no future spills occur.

15 132. In maintaining the nuisance, which is ongoing, Defendants are acting with full
16 knowledge of the consequences and damage being caused, and the acts and omissions of Defendants,
17 were done with malice, fraud, and/or oppression as described in this Complaint.

18 **Eighth Claim for Relief**

19 **Continuing Private Nuisance**

20 133. Plaintiff incorporates by reference each and every prior and subsequent allegation of
21 this Complaint as if fully restated here.

22 134. Defendants' actions and inactions caused, maintained, and/or permitted the
23 contamination alleged in this action by its negligence, intentional or otherwise, actionable acts,
24 and/or omissions.

25 135. Defendants created the contamination at issue, which is harmful to both human health
26 and the environment and interferes with Plaintiff's comfortable use and enjoyment of the real
27 property in which she has a possessory interest.
28

1 136. Defendants were, at all relevant times, in sufficient control of Line 901 to have
2 known of the threatened release of oil and associated hydrocarbons and to have prevented the
3 resulting contamination. Defendants knew or should have known that their operation of the failed
4 pipeline would have, and did, cause the contamination described herein.

5 137. Despite knowledge and forewarning, Defendants failed to take reasonable steps to
6 prevent the failure which resulted in the contamination at issue.

7 138. Defendants failed to take reasonable steps to abate the contamination at issue, which
8 continues to spread to previously uncontaminated areas. The contamination is, however, abatable,
9 and, therefore, it is continuing in nature. This also confirms that Defendants have knowingly
10 maintained the nuisance, i.e. the contamination at issue.

11 139. Plaintiff did not consent to the ongoing damage to the use and enjoyment of her
12 property as a result of Defendants' actions and inactions.

13 140. After having a reasonable opportunity to do so, Defendants failed to take reasonable
14 measures to properly abate the contamination described herein.

15 141. As a direct and proximate cause, Defendants' acts and omissions have caused
16 substantial actual damage and immediate and ongoing diminution of the value of Plaintiff's real
17 property and the property of the Class.

18 142. As a result, Plaintiff has and will continue to suffer damages, both economic and
19 otherwise.

20 143. The contamination described herein constitutes a nuisance within the meaning of
21 Section 3479 of California Civil Code.

22 144. Plaintiff is informed and believes, and on that basis alleges, that the contamination is
23 continuing and abatable.

24 145. As a proximate result of the nuisance, Plaintiff has and will continue to suffer
25 damages.

26 ///

27 ///

28 ///

Ninth Claim for Relief

Nuisance Per Se

146. Plaintiff incorporates by reference each and every prior and subsequent allegation of this Complaint as if fully restated here.

147. The contamination constitutes a continuing nuisance within the meaning of California Water Code Section 13050(m), and Section 3479 of California Civil Code.

148. Plaintiff is in the class of persons protected under these statutes from Defendants and its violations thereof due to the fact that Defendants have, at all times relevant, owned, operated, maintained, supervised and/or controlled Line 901.

149. Defendants violated California Civil Code section 3479 and California Water Code Section 13050(m) by their failure to properly abate the contamination, and by allowing contamination to continue to spread.

150. As a proximate result of the nuisance per se, Plaintiff has and will continue to suffer damages.

Tenth Claim for Relief

Permanent Injunction

151. Plaintiff incorporates by reference each and every prior and subsequent allegation of this Complaint as if fully restated here.

152. Beginning on or about May 19, 2015, and continuing to the present time, defendants, and each of them, wrongfully and unlawfully caused oil to spill out of Line 901, onto surrounding areas, into the Pacific Ocean, and onto coastal real properties.

153. In the absence of an injunction, Defendants will continue to violate the rights of Plaintiff and the Class. Defendants, and each of them, have refused and still refuse to refrain from their wrongful conduct.

154. Defendants' wrongful conduct, unless and until enjoined and restrained by order of this court, will cause great and irreparable injury to Plaintiff and the Class.

155. Plaintiff and the Class have no adequate remedy at law for the injuries that will result from failure of the Defendants to safely operate their pipeline and it could be impossible for Plaintiff

1 and the Class to determine the precise amount of damages they will suffer if Defendants' conduct is
 2 not restrained and Plaintiff is forced to institute a multiplicity of suits to obtain adequate
 3 compensation for injuries and harm to real property.

4 **Eleventh Claim for Relief**

5 **Violations of California's Unfair Competition Law Cal. Bus. & Prof. Code §§** 6 **17200, *et seq.***

7 156. Plaintiff incorporates by reference each and every prior and subsequent allegation of
 8 this Complaint as if fully restated here.

9 157. Defendants have engaged and continue to engage in unfair competition in violation of
 10 the Act.

11 158. Defendants' conduct constitutes "unfair" business practices within the meaning of the
 12 Act in that members of the public have been harmed as a result of Defendants' oil spill encroaching
 13 onto their real property.

14 159. Defendants' conduct amounts to "unfair" business practices as the Act forbids all
 15 wrongful business activities in any context in which they appear. Moreover, as described above,
 16 Defendants' practices offend established public policies, are immoral, unethical, oppressive, and
 17 unscrupulous. The impact of Defendants' practices is in no way mitigated by any justifications,
 18 reason, or motives. Defendants' conduct has no utility when compared to the harm done to Plaintiff
 19 and members of the Class.

20 160. Defendants' conduct was "unlawful" because it violated laws including but not
 21 limited to the Lempert-Keene Act, Government Code Section 8670, *et seq.*, and the Porter-Cologne
 22 Act, Water Code Sections 13000, *et seq.*, Cal. Fish & Game Code Section 5650, *et seq.* and, the Oil
 23 Pollution Act, and the oil spill response plans required by federal, state, and local laws. Federal,
 24 state, and local officials have announced civil and criminal investigations into Defendants' conduct
 25 related to the spill, so it is reasonable to infer that Defendants may have violated other laws.

26 161. As a direct and proximate result of Defendants' unfair and unlawful methods of
 27 competition and unfair and deceptive acts or practices, Plaintiff and the Class have sustained harm
 28 and are entitled to restitution.

163. The acts and omissions of Defendants were done with malice, fraud, and/or oppression as described in this Complaint.

Request for Relief

Plaintiff, individually and on behalf of all others similarly situated, requests judgment against Defendants as follows:

A. For an order certifying the Class and appointing Plaintiff as a representative of the Class and appointing the lawyers and law firm representing Plaintiff as counsel for the Class;

B. Permanently enjoining Defendants from operating a pipeline in Santa Barbara County without adequate safety and response measures and ongoing monitoring;

C. For all recoverable compensatory, statutory, and other damages sustained by Plaintiff and the Class;

D. For all equitable relief including disgorgement, unjust enrichment, and all other relief allowed under applicable law;

E. Granting Plaintiff and the Class awards of restitution and/or disgorgement of Defendants' profits from its unfair and unlawful practices described above;

F. For costs;

G. For both pre-judgment and post-judgment interest on any amounts awarded:

H. For appropriate injunctive relief, including public injunctive relief; *i.e.*, an order requiring Defendants to restore property values impacted by the spill and to repair reputational damage done to ocean and beachfront real property values along California's Central Coast;

I. For treble damages insofar as they are allowed by applicable laws;

J. For appropriate individual relief as request above;

1 K. For payment of attorneys' fees and expert fees as maybe allowable under applicable
2 law, including Cal. Gov. Code section 8670.56.5(f) and the Private Attorneys General Act
3 ("PAGA"), Cal. Code. Civ. P., §1021.5;

4 L. For exemplary or punitive damages under Cal. Civ. Code section 3294 for the
5 oppression, fraud, and malice alleged above; and

6 M. For such other and further relief, including declaratory relief, as the Court may deem
7 proper.

8 **IX. DEMAND FOR JURY TRIAL**

9 Plaintiff hereby demands a trial by jury on all issues so triable.

10
11 RESPECTFULLY SUBMITTED this 23rd day of June, 2015.

12
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